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# REVISION OF TAX PROVISIONS

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<b>5</b>	<b>CONSTITUTIONAL CONVENTION OF 1878-1879. Assembly Constitutional Amendment No. 67.</b> Repeals Section 19 of Article XX of Constitution, relating to payment of expenses of State Constitutional Convention of 1878-1879.	YES	
		NO	

(For full text of measure, see page 12, Part II)

**Argument in Favor of Assembly Constitutional Amendment No. 67**

Section 19 of Article XX of the Constitution of California pertains to the payment of expenses and per diem to delegates of the Constitutional Convention of 1879. Since the termination of the work of that convention and the subsequent adoption of the constitution which the convention pro-

posed, this section has ceased to have any force or effect although it had been necessary originally to foreclose any adverse action by the Legislature. Inasmuch as the section is now merely surplusage and there is no known opposition to its repeal a "YES" vote is herewith recommended.

LAUGHLIN E. WATERS  
Assemblyman, 58th Dist.

<b>6</b>	<b>EFFECTIVE DATE OF 1933 STATUTES. Assembly Constitutional Amendment No. 68.</b> Repeals Section 1a of Article IV of Constitution, as adopted in 1933, relating to the effective date of statutes enacted at the 1933 Regular Session of the Legislature.	YES	
		NO	

(For full text of measure, see page 12, Part II)

**Argument in Favor of Assembly Constitutional Amendment No. 68**

This measure simply repeals a section of the Constitution which has become obsolete and has no present or prospective effect. It repeals Section 1a of Article IV which made special provision for the taking effect of the statutes enacted at the 1933 Regular Session of the Legislature. That

session recessed from May 12 to July 17, 1933, in order to permit a vote on the Riley-Stewart tax plan and other matters at the special election of June 27, 1933. The section has served its purpose and is now obsolete.

Vote YES on A. C. A. 68.

ERNEST C. CROWLEY  
Assemblyman, 5th Dist.

	<b>REVISION OF TAX PROVISIONS. Assembly Constitutional Amendment No. 69.</b> Repeals Sections 1.6, 8a, 14½, 14¾, 15½ and 16½, amends Sections 14 and 14¾, adds Section 18, of Article XIII of Constitution. Deletes inoperative provisions relative to former method of taxing insurance companies. Deletes inoperative provisions relating to effective dates of former changes in state tax system, tax exemption of San Francisco Bay Exposition, and tax reassessment following 1933 earthquake. Provides that repeals and deletions of existing provisions shall not affect previously assessed taxes.	YES	
		NO	

(For full text of measure, see page 13, Part II)

**Argument in Favor of Assembly Constitutional Amendment No. 69**

This constitutional amendment was recommended by the Joint Legislative Interim Committee on Constitutional Revision, and was unanimously passed by the Legislature. It deletes useless and archaic matters dealing with taxation from our State Constitution.

Article XIII, Section 1.6, which exempts the property of the Golden Gate International Exposition of 1939 from taxation, is deleted. There is no further need for this section in our Constitution.

Article XIII, Section 8-a, is deleted. This is a special section of our Constitution adopted in 1933 to relieve taxpayers of Los Angeles and Orange Counties from the payment of taxes upon property destroyed by the earthquake of March 10, 1933. It is obvious that there is no further need for this section.

Article XIII, Section 14½, is deleted. This section sets the time when the provisions of Section

(Riley-Stewart tax plan adopted June 27, 1933) should become operative. The date set was January 1, 1935. Since that time is long past, there is no further need for that section.

In Article XIII, Sections 14, 14¾, and 14¾, pro-

vide for the taxation of insurance companies. Only Section 14¾ is operative.

Three paragraphs of Section 14 are deleted. These paragraphs set up the method of taxing insurance companies prior to December 31, 1937, and have not been operative since that time. They were superseded by Section 14¾, which provided the method of taxing insurance companies between January 1, 1938, and December 31, 1942.

Section 14¾ has not been operative since that date and is repealed.

Section 14¾ replaced Section 14¾, and sets up the present method for taxing insurance companies. It remains intact, except for the deletion of the transition schedules setting up sliding scale of rates and real estate deductions affecting the years from 1943 through 1946, and the paragraph setting the effective date of the section as December 31, 1942. These provisions are obviously obsolete.

Article XIII, Section 15½, sets the time when certain provisions of Section 15 were to take effect. These provisions of Section 15 were superseded by an amendment adopted November 5, 1946, and Section 15½ is therefore deleted.

Article XIII, Section 16½, is deleted. This section deals with the effective date of an amend-

ment to Section 16, dealing with bank and corporation taxes, adopted June 27, 1933. This section has become obsolete with the passing of the effective date of January 1, 1935.

Section 18 is added to Article XIII. This section provides that the repeal or deletion of any of these obsolete provisions will not affect the right

of the State to collect any unpaid taxes assessed under those provisions while they were in effect.

Our Constitution should not be cluttered up with these obsolete provisions. A "YES" vote is urged on Proposition No. 7.

RICHARD J. DOLWIG  
Assemblyman, 27th Dist

# **CONSTITUTIONAL PROVISION RELATING TO STATE FISCAL AFFAIRS.**

**8** **Assembly Constitutional Amendment No. 70.** Of two similar sections, each designated as Section 22 of Article IV of Constitution, relating to State's fiscal affairs, repeals one, and amends the other to combine the provisions of both; also deletes inoperative provisions of amended section on subject of Panama-Pacific International Exposition of 1915.

YES	
NO	

(For full text of measure, see page 16, Part II)

## **Argument in Favor of Assembly Constitutional Amendment No. 70**

There are two sections in the Constitution having the same article and number, to wit: Article IV, Section 22. At the general election in 1927 these duplicate sections were both amended, and the one known as A. C. A. 31 has been held out effective because at that same election the one known as A. C. A. 21 received a larger vote of the people and is therefore the law.

This latter amendment contains obsolete provisions and carried along with it the establishment of the Panama-Pacific International Exposition which was to be held in 1915 and its operation. Also contained therein is the law on state aid to needy children, the aged, the blind and orphans.

By voting YES and approving the amendment you do the following:

1. Remove a duplicate section on the same subject but which is not effective.

2. Remove the obsolete section on the Panama-Pacific International Exposition, held many years ago, and not now needed.

3. You increase the present power of the Legislature in the matter of granting aid to needy children, the aged and the blind, to include the authority to grant aid to physically handicapped persons.

By voting YES you do not increase any taxes, or spend any money, but you do help clear up our Constitution in removing old laws no longer needed.

This measure received a unanimous vote in the Assembly and Senate, and is one of a series of amendments which make no substantive changes but does make for better government.

RALPH M. BROWN  
Assemblyman, 30th Dist

# **CONSTITUTIONAL PROVISIONS FOR ADOPTION OF 1879 CONSTITUTION.**

**9** **Assembly Constitutional Amendment No. 71.** Repeals Sections 4 to 9, inclusive, of Article XXII of Constitution, relating to election upon question of adoption of Constitution of 1879.

YES	
NO	

(For full text of measure, see page 17, Part II)

## **Argument in Favor of Assembly Constitutional Amendment No. 71**

Sections 4, 5, 6, 7, 8 and 9 of Article XXII of the Constitution of California pertain to the method that was prescribed for the submission of the proposed constitution so that the voters might pass upon it. Immediately upon adoption of the Constitution of 1879 by the voters as a result of

following this procedure, these provisions ceased to have any effect whatsoever and they are now quite useless and merely clutter up the Constitution. This proposal passed the Legislature unanimously and since there is no known opposition a "YES" vote is herewith recommended.

LAUGHLIN E. WATERS  
Assemblyman, 58th Dist.

**10** **REPEAL OF SUSPENSION PROVISION. Assembly Constitutional Amendment No. 72.** Repeals inoperative Section 26a of Article I of Constitution, suspending the effective date of prohibition amendment submitted at 1914 election, said prohibition amendment having been refused adoption.

YES	
NO	

(For full text of measure, see page 18, Part II)

## **Argument in Favor of Assembly Constitutional Amendment No. 72**

Assembly Constitutional Amendment No. 72 is one of a series of proposed constitutional amendments to remove obsolete and inoperative matter from the California State Constitution. Its purpose is to repeal Section 26a of Article I.

This section was originally enacted to designate the effective date of two initiative measures which were proposed for adoption by the voters

at the general election of 1914. At that election the proposed measures were not approved by the voters, and, therefore, a provision is not needed to set their effective date. Thus, Section 26a of Article I was never used and has never been effective for any purpose.

A YES vote on this amendment will remove this unnecessary and useless section from the Constitution.

THOMAS W. CALDECOTT  
Assemblyman, 18th Dist.

# **REVISION OF TAX PROVISIONS. Assembly Constitutional Amendment No. 69.**

Repeals Sections 1.6, 8a, 14 $\frac{1}{2}$ , 14 $\frac{3}{4}$ , 15 $\frac{1}{2}$  and 16 $\frac{1}{2}$ , amends Sections 14 and 14 $\frac{3}{4}$ , adds Section 18, of Article XIII of Constitution. Deletes inoperative provisions relative to former method of taxing insurance companies. Deletes inoperative provisions relating to effective dates of former changes in state tax system, tax exemption of San Francisco Bay Exposition, and tax reassessment following 1933 earthquake. Provides that repeals and deletions of existing provisions shall not affect previously assessed taxes.

YES

NO

(This proposed amendment expressly repeals existing sections of, amends existing sections of, and adds a new section to, the Constitution; therefore, **EXISTING PROVISIONS** proposed to be **REPEALED** or **DELETED** are printed in **STRIKEOUT TYPE** and **NEW PROVISIONS** proposed to be **INSERTED** or **ADDED** are printed in **BLACK-FACED TYPE**.)

## PROPOSED AMENDMENT TO THE CONSTITUTION

**First.** That Sections 1.6, 8a, 14 $\frac{1}{2}$ , 14 $\frac{3}{4}$ , 15 $\frac{1}{2}$ , and 16 $\frac{1}{2}$  of Article XIII thereof be repealed.

**Sec. 1.6:** No tax, license fee or charge of any kind or character shall ever be levied or assessed or charged against any property of the San Francisco Bay Exposition, a nonprofit corporation organized under the laws of the State of California on the twenty-fourth day of July, 1934; sponsoring the Golden Gate International Exposition at the City and County of San Francisco in 1939; or against any property used as an exhibit in said exposition, while being used or exhibited in connection therewith.

**Sec. 8a:** Notwithstanding anything in this Constitution otherwise providing, every taxpayer in the county of Los Angeles and in the county of Orange, who at twelve o'clock meridian on the first Monday of March, 1933, was the owner, or had in his possession, or under his control, any property which was thereafter damaged or destroyed by the earthquake of March 10, 1933, or any other earthquake or earthquakes occurring thereafter, and prior to the first day of July, 1933, shall make and deliver to the county assessor a statement, under oath, setting forth specifically all such real and personal property, according to its condition and value after said damage or destruction, rather than according to its condition and value at twelve o'clock meridian on the first Monday of March of said year; and the county assessors of said counties, regardless of whether or not such statement of such damaged or destroyed property is made, shall assess the same according to its condition and value after said damage or destruction, rather than according to its condition and value at twelve o'clock meridian on the first Monday of March of said year. The provisions of this section shall be self-executing.

**Sec. 14 $\frac{1}{2}$ :** The provisions of section 14 of this article as they read on May 1, 1933, shall remain fully operative to and including December 31, 1934, notwithstanding any other provision in this Constitution. From and after January 1, 1935, said provisions shall no longer be of any force and effect; provided, however, that any taxes assessed in pursuance thereof, prior to said date, shall remain fully collectible.

**Sec. 14 $\frac{3}{4}$ :** (a) Those provisions of section 14 of this article relating to taxation of insurance companies and associations shall remain effective as to business done in this State prior to January 1, 1935, and as to the assessment, levy, collection and adjustment of taxes with respect to such business done prior to said date; but as to such business done subsequent to December 31, 1934, those provisions of said section 14 relating to taxation of insurance companies and associations shall not apply; and the provisions of paragraph (b) of this section shall apply thereto; provided, however, that if the application of the provisions of paragraph (b) of this section to such business done in this State during any part of the calendar year 1935 shall be held to be invalid by a court of final jurisdiction; then and in that event those provisions of section 14 of this article relating to

taxation of insurance companies and associations shall remain effective as to business done in this State prior to January 1, 1935, and as to the assessment, levy, collection and adjustment of taxes with respect to such business; but as to such business done subsequent to December 31, 1934, those provisions of said section 14 relating to taxation of insurance companies and associations shall not apply; and the provisions of paragraph (b) of this section shall apply thereto; provided, in any case, that those provisions of paragraph (b) of this section relating to taxation of ocean marine insurance profits shall be construed as a continuation of the corresponding provisions of said section 14 relating to taxation of ocean marine insurance profits and not as a change therein.

(b) Every insurance company or association doing business in this State shall annually pay to the State a tax, assessed by the State Board of Equalization, of two and six-tenths per centum upon the amount of the gross premiums, less return premiums, received upon its business done in this State, other than premiums received for reinsurance and for ocean marine insurance; provided, that there shall be deducted from said two and six-tenths per centum upon the gross premiums the amount of any taxes paid by such companies on real estate owned by them in this State. Any tax assessed against any such insurance company or association pursuant to section 14 of this article prior to the date when this paragraph becomes operative, shall remain fully collectible, and all taxes assessable against such companies or associations pursuant to this article and which failed or shall have failed to be assessed shall remain assessable within the time now or hereafter fixed by law. This tax shall be in lieu of all other taxes and licenses, State, county and municipal, upon such companies or their property, except taxes upon their real estate; provided, that when by the laws of any other State or country any taxes, fines, penalties, licenses, fees, deposits of money or of securities, or other obligations or prohibitions are imposed on insurance companies of this State doing business in such other State or country, or upon their agents therein; in excess of such taxes, fines, penalties, licenses, fees, deposits of money or of securities, or other obligations or prohibitions imposed upon insurance companies of such other State or country, or upon their agents therein; so long as such laws continue in force, the same obligations and prohibitions of whatsoever kind may be imposed by the Legislature upon insurance companies of such other State or country doing business in this State, or upon their agents herein.

Every insurer transacting the business of ocean marine insurance in this State shall annually pay to the State a tax, assessed by the State Board of Equalization, measured by that proportion of the underwriting profit of such insurer from such insurance written in the United States, which the gross premiums of the insurer from such insurance written in this State bear to the gross premiums of said insurer from such insurance written within the United States; at the rate of five per centum, which tax shall be in lieu of all other taxes and licenses, State, county and municipal, upon such insurer, except taxes upon real estate; and such other taxes as may be assessed or levied against such insurer on account of any other class of insurance written by it. The Legislature shall define the terms "ocean marine insurance" and "underwriting profit," and shall provide for the assessment, levy, collection and enforcement of said tax.

The Legislature, two-thirds of all the members elected to each of the two houses voting in favor thereof, may by law change the rate or rates of taxes herein imposed upon insurance companies.

The word "companies" as used in this section shall include persons, partnerships, joint stock associations, companies and corporations.

Sec. 15½. The provisions of Section 15 of this article as they read on May 1, 1933, shall remain operative for the purpose of the assessment and collection of State taxes as therein contemplated to and including December 31, 1934; but nothing in this section shall be construed as making inoperative the provisions of said section as amended subsequent to said date, in so far as they relate to other matters. From and after January 1, 1935, the provisions of Section 15 of this article as they read on May 1, 1933, shall no longer be of any force and effect; provided, however, that nothing herein contained shall be construed to affect the collection or distribution of taxes assessed under said section prior to January 1, 1935.

Sec. 16½. The provisions of paragraph 4 of section 16 of this article, as they read on May 1, 1933, shall remain operative to and including December 31, 1934; notwithstanding any other provision in this Constitution. From and after January 1, 1935, the provisions of said paragraph 4 shall no longer be of any force and effect; provided, however, that all taxes assessed thereunder, prior to January 1, 1935, shall remain fully collectible.

Second. That Section 14 of Article XIII thereof be amended to read:

Sec. 14. All pipe lines, flumes, canals, ditches and aqueducts not entirely within the limits of any one county, and all property, other than franchises, owned or used by (1) railroad companies including street railways, herein defined to include interurban electric railways, whether operating in one or more counties, (2) sleeping car, dining car, drawing-room car, and palace car companies, refrigerator, oil, stock, fruit and other car-loading and other car companies operating upon the railroads in the State, (3) companies doing express business on any railroad, steamboat, vessel or stage line in this State, (4) telegraph and telephone companies, (5) companies engaged in the transmission or sale of gas or electricity, shall be assessed annually by the State Board of Equalization, at the actual value of such property.

All property so assessed by said board shall be subject to taxation to the same extent and in the same manner as other property.

All companies herein mentioned and their franchises, other than insurance companies and their franchises, shall be taxed in the same manner and at the same rates as mercantile, manufacturing and business corporations and their franchises are taxed pursuant to Section 16 of this article; provided, that nothing herein shall be construed to release any company mentioned in this section from the payment of any amount agreed to be paid or required by law to be paid for any special privilege or franchise granted by any political subdivision or municipality of this State; provided further, that no excise, or income tax or any other form of tax or license charge shall be levied or assessed upon or collected from the companies, or any of them, mentioned in the first paragraph of this section, in any manner or form, different from, or at a higher rate than that imposed upon or collected from mercantile, manufacturing and business corporations doing business within this State.

The Legislature shall have the power to provide for the assessment, levy and collection of taxes upon all forms of tangible personal property, all notes, debentures, shares of capital stock, bonds, solvent credits, deeds of trust, mortgages, and any legal or equitable interest therein, not exempt from taxation under the provisions of this Constitution, in such manner, and at such rates, as may be provided by law, and in pursuance of the exercise of such power the Legislature, two-thirds of all of the members elected to each of the two houses voting in favor thereof, may classify any and all kinds of personal property for the purposes of assessment and tax-

ation in a manner and at a rate or rates in proportion to value different from any other property in this State subject to taxation and may exempt entirely from taxation any or all forms, types or classes of personal property.

The total tax imposed on notes, debentures, shares of capital stock, bonds, solvent credits, deeds of trust, mortgages and a legal or equitable interest therein in pursuance of the provision of this section shall not be at a rate in excess of four-tenths of one per cent of the actual value of such property and no tax burden shall be imposed upon any personal property either tangible or intangible which shall exceed the tax burden on real property in the same taxing jurisdiction in proportion to the actual value of such property.

Every insurance company or association doing business in this State shall annually pay to the State a tax, assessed by the State Board of Equalization, of two and six-tenths per centum upon the amount of the gross premiums other than gross premiums from ocean marine insurance, received upon its business done in this State, less return premiums and reinsurance in companies or associations authorized to do business in this State; provided, that there shall be deducted from said two and six-tenths per centum upon the gross premiums the amount of any taxes paid by such companies on real estate owned by them in this State. This tax shall be in lieu of all other taxes and licenses, State, county, and municipal, upon such companies or their property, except taxes upon their real estate; provided, that when by the laws of any other State or country, any taxes, fines, penalties, licenses, fees, deposits of money, or of securities, or other obligations or prohibitions, are imposed on insurance companies, of the State, doing business in such other State or country, or upon their agents therein, in excess of such taxes, fines, penalties, licenses, fees, deposits of money, or of securities, or other obligations or prohibitions, imposed upon insurance companies of such other State or country so long as such laws continue in force, the same obligations and prohibitions of whatsoever kind may be imposed by the Legislature upon insurance companies of such other State country doing business in this State.

Every insurer transacting the business of ocean marine insurance in this State shall annually pay to the State a tax, assessed by the State Board of Equalization, measured by that proportion of the underwriting profit of such insurer from such insurance written in the United States, which the gross premiums of the insurer from such insurance written in this State bear to the gross premiums of said insurer from such insurance written within the United States; at the rate of five per centum; which tax shall be in lieu of all other taxes and licenses, State, county and municipal, upon such insurer, except taxes upon real estate; and such other taxes as may be assessed or levied against such insurer on account of any other class of insurance written by it. The Legislature shall define the terms "ocean marine insurance" and "underwriting profit," shall provide for the assessment, levy, collection, and enforcement of said tax.

The Legislature, two-thirds of all the members elected to each of the two Houses voting in favor thereof, may by law change the rate or rates of taxes herein imposed upon insurance companies.

The word "companies" as used in this section shall include persons, partnerships, joint stock associations, companies and corporations.

Nothing herein contained shall be construed to subject to assessment and taxation property which is exempt from taxation under other provisions of this Constitution.

Third. That Section 14 4/5 of Article XIII thereof be amended to read:

14½. (a) These provisions of Section 14½ of this article relating to taxation of insurance companies and associations shall remain effective as to business done in this State prior to January 1, 1935, and as to the assessment, levy, collection and adjustment of tax with respect to such business done prior to that date; but as to such

business done subsequent to December 31, 1942, those provisions of Section 143, relating to taxation of insurance companies and associations shall not apply, and this section shall apply thereto.

(b) (a) "Insurer," as used in this section, includes insurance companies or associations and reciprocal or interinsurance exchanges. As used in this paragraph, "companies" includes persons, partnerships, joint stock associations, companies and corporations.

(b) (b) An annual tax is hereby imposed on each insurer doing business in this State after December 31, 1942, on the basis, at the rates, and subject to the deductions from the tax hereinafter specified.

(c) (c) In the case of an insurer not transacting title insurance in this State, the "basis of the annual tax" is, in respect to each year, the amount of gross premiums, less return premiums, received in such year by such insurer upon its business done in this State, other than premiums received for reinsurance and for ocean marine insurance.

In the case of an insurer transacting title insurance in this State, the "basis of the annual tax" is, in respect to each year, all income upon business done in this State, except:

- (1) Interest and dividends.
- (2) Rents from real property.
- (3) Profits from the sale or other disposition of investments.
- (4) Income from investments.

"Investments" as used in this subdivision (d) includes property acquired by such insurer in the settlement or adjustment of claims against it but excludes investments in title plants and title records. Income derived directly or indirectly from the use of title plants and title records is included in the basis of the annual tax.

In the case of an insurer transacting title insurance in this State which has a trust department and does a trust business under the banking laws of this State, there shall be excluded from the basis of the annual tax imposed by this section, the income of, and from the assets of, such trust department and such trust business, if such income is taxed by this State or included in the measure of any tax imposed by this State.

(d) (d) The rate of tax to be applied to the basis of the annual tax in respect to each year is 2.35 percent. of the years set forth below is the percentage set forth below opposite such year:

Year	Percentage
1943	2.55
1944	2.50
1945	2.45
1946	2.40
1947 and each year thereafter	2.35

(f) The deductions which may be made from the tax are:

- (1) The principal office deduction.
- (2) The real estate deduction.

(g) (c) The "principal office deduction" consists of Each insurer shall have the right to deduct from the annual tax imposed by this section upon ~~an~~ such insurer in respect to a particular year the amount of real estate taxes paid by it, in that year, before, or within 30 days after, becoming delinquent, on real property owned by it at the time of payment, and in which was located, in that year, its home office or principal office in this State. Such real property may consist of one building or of two or more adjacent buildings in which such an office is located, the land on which they stand, and so much of the adjacent land as may be required for the convenient use and occupation thereof.

Where as a result of merger, consolidation, or other method of acquisition of substantially all of the assets of one or more insurers, another insurer, effected prior to January 1, 1939, an insurer owns more than one parcel of real property in this State in which

was located a home office or principal office of an insurer immediately prior to such acquisition, the owner shall designate one of such properties as its home or principal office. Real estate taxes paid by it in any of the years 1943 to 1952, inclusive, before, or within 30 days after, becoming delinquent, on such property owned by it at the time of payment and not so designated may also be deducted from the annual tax imposed by this section in respect to such year and are included within the principal office deduction provided for in this subdivision.

(h) Subject to the limitations hereinafter expressed, the "real estate deduction" consists of the right to deduct from the annual tax imposed by this section upon an insurer in respect to any of the years set forth below, the amount of taxes paid by it in that year on real estate owned by it in this State at the time of payment, not in excess of the percentage, set forth below opposite such year, of deductible taxes paid by it in 1939 on real estate owned by it in this State in 1939:

Year	Percentage
1943	75
1944	55
1945	35
1946	15

The limitations hereinabove referred to are:

(1) The real estate deduction defined by this subdivision (h) is not applicable to and shall not be allowed on the annual tax imposed by this section with respect to any year after the year 1946.

(2) In computing the real estate deduction, there shall be excluded from the amount of taxes paid on such real estate the amount of such taxes constituting and included within the principal office deduction, under subdivision (g).

(3) In computing the percentage of deductible taxes paid by an insurer in 1939, there shall be excluded from such deductible taxes the amount of taxes, paid by it in 1939, which would, if subdivision (g) were applicable to the year 1939, constitute or be included within the principal office deduction.

(4) Taxes otherwise conforming to the requirements of this subdivision (h) shall not be allowed as part of the real estate deduction unless paid before, or within 30 days after, becoming delinquent. The date of payment of such taxes shall be conclusively established by the time of payment shown on the official tax receipt.

(i) (f) The tax imposed on insurers by this section is in lieu of all other taxes and licenses, State, county, and municipal, upon such insurers and their property, except:

- (1) Taxes upon their real estate.

(2) That an insurer transacting title insurance in this State which has a trust department or does a trust business under the banking laws of this State is subject to taxation with respect to such trust department or trust business to the same extent and in the same manner as trust companies and the trust departments of banks doing business in this State.

(3) When by the laws of any other state or country any taxes, fines, penalties, licenses, fees, deposits of money or securities or other obligations or prohibitions are imposed on insurers of this State doing business in such other state or country, or upon their agents therein, in excess of those imposed upon insurers of such other state or country or upon their agents therein, so long as such laws continue in force, the same obligations and prohibitions of whatsoever kind may be imposed by the Legislature upon insurers of such other state or country doing business in this State, or upon their agents therein.

- (4) The tax on ocean marine insurance.

(j) (g) Every insurer transacting the business of ocean marine insurance in this State shall annually pay to the State a tax measured by that proportion of the underwriting profit of such

insurer from such insurance written in the United States, which the gross premiums of the insurer from such insurance written in this State bear to the gross premiums of the insurer from such insurance written within the United States, at the rate of 5 per centum, which tax shall be in lieu of all other taxes and licenses, State, county and municipal, upon such insurer, except taxes upon real estate, and such other taxes as may be assessed or levied against such insurer, on account of any other class of insurance written by it. Deductions from the annual tax pursuant to subdivision ~~(ff)~~, ~~(g)~~ and ~~(h)~~ (e) can not be made from the ocean marine tax. The Legislature shall define the terms "ocean marine insurance" and "underwriting profit," and shall provide for the assessment, levy, collection and enforcement of the ocean marine tax.

~~(h)~~ (h) The taxes provided for by this section shall be assessed by the State Board of Equalization.

~~(i)~~ (i) The Legislature, two-thirds of all the members elected to each of the two houses voting in favor thereof, may by law change the rate or rates of taxes herein imposed upon insurers.

~~(j)~~ (j) This section is not intended to and does not change the law as it has previously existed with respect to the meaning of the words "gross premiums, less return premiums, received" as used in this section or as used in Section 14 or 14½ of this article.

Fourth. That Section 18 be added to Article XIII, to read:

Sec. 18. The repeal or deletion of any provision of this article, regardless of when effected, shall not affect the collectibility of any tax assessed pursuant to such provisions while such provision was in effect.

# CONSTITUTIONAL PROVISION RELATING TO STATE FISCAL AFFAIRS.

**8** Assembly Constitutional Amendment No. 70. Of two similar sections, each designated as Section 22 of Article IV of Constitution, relating to State's fiscal affairs, repeals one, and amends the other to combine the provisions of both; also deletes inoperative provisions of amended section on subject of Panama-Pacific International Exposition of 1915.

YES

NO

(This proposed amendment expressly repeals and amends existing provisions of the Constitution, therefore, **EXISTING PROVISIONS** proposed to be **REPEALED** or **DELETED** are printed in **STRIKEOUT TYPE** and **NEW PROVISIONS** proposed to be **INSERTED** are printed in **BLACK-FACED TYPE**.)

## PROPOSED AMENDMENT TO THE CONSTITUTION

First, That Section 22 of Article IV thereof as amended by the adoption on November 6, 1928, of the amendment proposed by Assembly Constitutional Amendment No. 31, 1927 Regular Session, be repealed.

Sec. 22. No money shall be drawn from the treasury but in consequence of appropriation made by law, and upon warrants duly drawn thereon by the Controller; and no money shall ever be appropriated or drawn from the State treasury for the purpose or benefit of any corporation, association, asylum, hospital, or any other institution not under the exclusive management and control of the State as a State institution; nor shall any grant or donation of property ever be made thereto by the State; provided, that notwithstanding anything contained in this or any other section of the Constitution, the Legislature shall have the power to grant aid to the institutions conducted for the support and maintenance of minor orphans, or half-orphans, or abandoned children; or children of a father who is incapacitated for gainful work by permanent physical disability or is suffering from tuberculosis in such a stage that he cannot pursue a gainful occupation; or aged persons in indigent circumstances—such aid to be granted by a uniform rule, and proportioned to the number of inmates of such respective institutions; provided, that the Legislature shall have power to grant aid to needy physically handicapped persons not inmates of any institution under the supervision of the State department of institutions and supported in whole or in part by the State or by any institution supported in whole or part by any political subdivision of the State; provided, further, that the State shall have at any time the right to inquire into the management of such institutions; provided, further, that whenever any county, or city and county, or city, or town, shall provide for the support of minor orphans, or half-orphans, or abandoned children, or children of a father who is incapacitated for gainful work by permanent physical disability or is suffering from tuberculosis in such a stage that he cannot pursue a gainful occupation; or aged persons in indigent circumstances; or needy physically handicapped persons not inmates of any institution under the supervision of the State department of institutions and supported in

whole or in part by the State or by any institution supported in whole or part by any political subdivision of the State, such county, city and county, city, or town shall be entitled to receive the same pro rata appropriations as may be granted to such institutions under church, or other control. An accurate statement of the receipts and expenditures of public moneys shall be attached to and published with the laws at every regular session of the Legislature.

Second, That Section 22 of Article IV thereof, as amended by the adoption on November 6, 1928, of the amendment proposed by Senate Constitutional Amendment No. 21, 1927 Regular Session be amended to read:

Sec. 22. No money shall be drawn from the treasury by consequence of appropriation made by law, and upon warrants duly drawn thereon by the Controller; and no money shall ever be appropriated or drawn from the State treasury for the purpose or benefit of any corporation, association, asylum, hospital, or any other institution not under the exclusive management and control of the State as a State institution, nor shall any grant or donation of property ever be made thereto by the State; provided, that notwithstanding anything contained in this or any other section of the Constitution, the Legislature shall have the power to grant aid to the institutions conducted for the support and maintenance of minor orphans, or half-orphans, or abandoned children, or children of a father who is incapacitated for gainful work by permanent physical disability or is suffering from tuberculosis in such a stage that he can not pursue a gainful occupation, or aged persons in indigent circumstances—such aid to be granted by a uniform rule, and proportioned to the number of inmates of such respective institutions; provided, further, that the Legislature shall have the power to grant aid to needy blind persons not inmates of any institution supported in whole or in part by the State or by any of its political subdivisions; provided further, that the Legislature shall have power to grant aid to needy physically handicapped persons not inmates of any institution under the supervision of the Department of Mental Hygiene and supported in whole or in part by the State or by any institution supported in whole or part by any political subdivision of the State; provided, further, that the State shall have at any time the right to inquire into the management of such institutions; provided, further, that whenever any county, or city and county, or city, or town, shall provide for the support of minor orphans, or half-orphans, or abandoned children, or children of a father who is incapacitated for gainful work by permanent physical disability or is suffering from tuberculosis in such